



**Director of
Central
Intelligence**

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National Intelligence Daily

***Friday
9 October 1981***

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CO NID 81-2361X

9 October 1981

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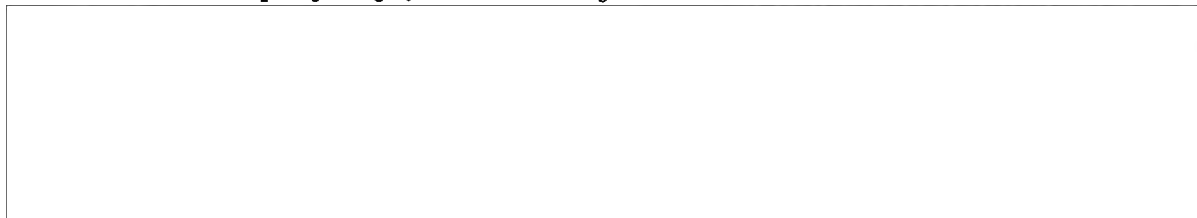
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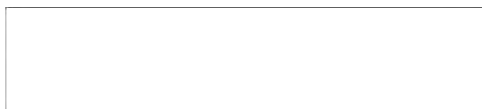
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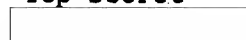


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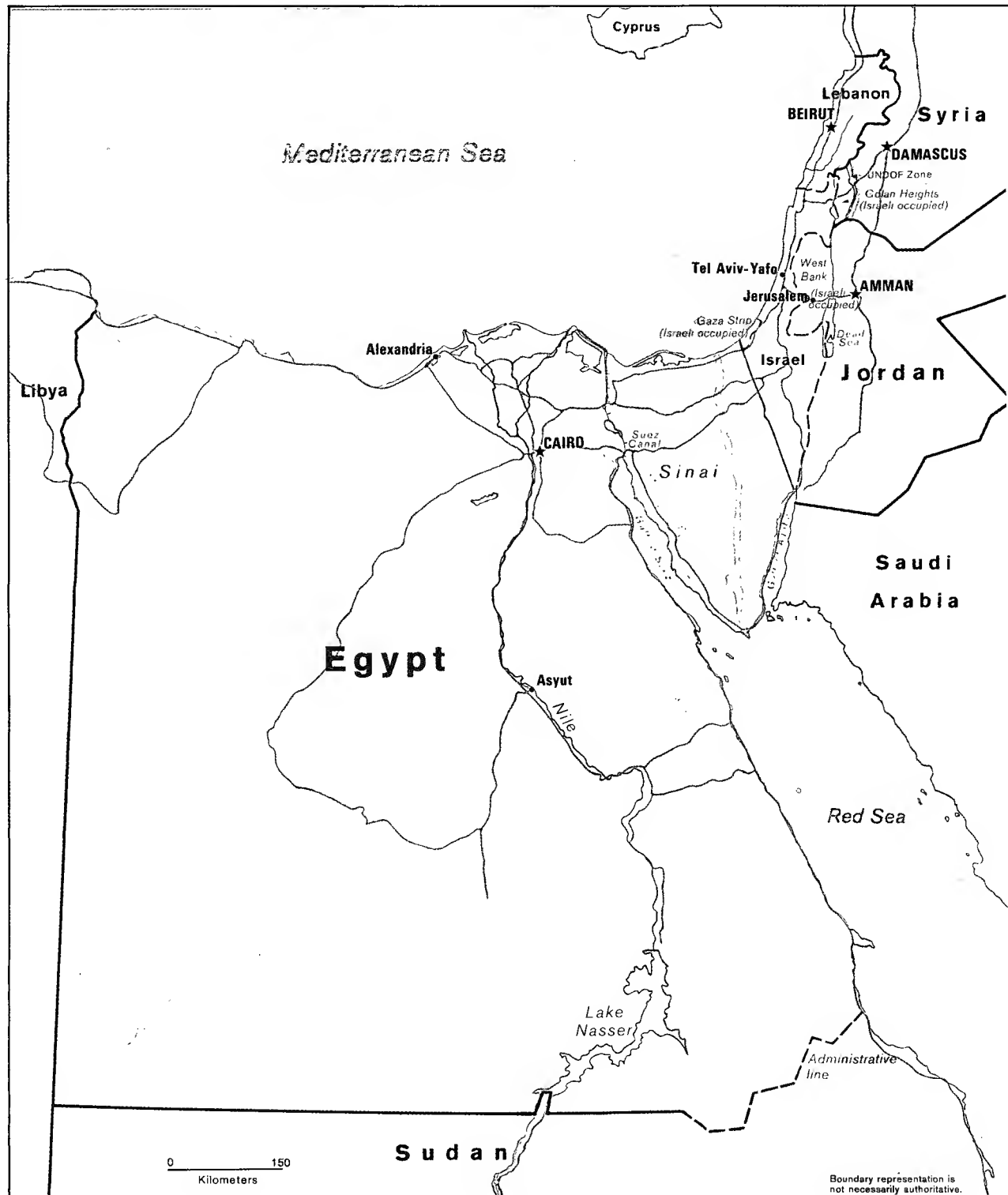


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EGYPT: Additional Unrest

The attacks yesterday by Islamic fundamentalists on three police stations in the town of Asyut suggest that Vice President Moubarek's government will face a continuing challenge from extremist terrorists.

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Asyut is a traditional center of fundamentalist strength and has often been the scene of Muslim-Coptic clashes in the past. Cairo and Alexandria remain calm, and Egyptian security forces are mobilizing to prevent any outbreaks of violence in the capital during the funeral tomorrow.

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The violence in Asyut indicates that the regime has failed to neutralize the clandestine Islamic fringe, despite recent arrests of Takfir members. The government appears to have underestimated the strength of the Islamic opposition and additional terrorist attacks seem likely.

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Nonetheless, there is no indication that extremist fundamentalists have gained extensive popular backing or have undermined the loyalty of significant elements of the military. Although Libyan media continue to call for a popular uprising against Moubarek, most Egyptians seem to have accepted the legitimacy of the new government. The largest Islamic organization, the Muslim Brotherhood, reportedly has decided to adopt a wait-and-see approach to the Moubarek regime.

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Saudi leaders, although saddened by Sadat's death, apparently will not send any official message of condolence or a representative to the funeral.

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ATTENDANCE AT THE SADAT FUNERAL

The list of dignitaries named so far to head funeral delegations includes:

Argentina

Foreign Minister Camilion

Australia

Deputy Prime Minister Anthony

Belgium

King Baudouin

Foreign Minister Nothomb

Brazil

Joint Chiefs of Staff Member Werner

Canada

Governor General Schreyer

China

Vice Premier Ji

Denmark

Prince Henrick

Foreign Minister Olesen

France

President Mitterrand

Foreign Minister Cheysson

Indonesia

Minister of Religion Prawiranegara

Israel

Prime Minister Begin

Italy

President Pertini

Foreign Minister Colombo

Japan

Foreign Minister Sonoda

Liberia

Chief of State Doe

Netherlands

Prince Claus

Foreign Minister Van Der Stoel

Norway

Crown Prince Harald

Prime Minister Brundtland

Oman

Deputy Prime Minister Bu Sa'id

Portugal

Assembly Speaker General Eanes

Spain

Foreign Minister Perez Llorca

Sudan

President Nimeiri

Sweden

Princess Christina

Prime Minister Falldin

United Kingdom

Prince Charles

Lord Carrington

Uruguay

Foreign Minister Valdez

West Germany

President Carstens

Chancellor Schmidt

Foreign Minister Genscher

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POLAND: Walesa Wins

Union leader Walesa won a major victory in the voting yesterday for the union's new presidium despite opposition from militants.

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Walesa's aides described him as "very happy and enthusiastic" about the membership of the newly elected executive committee, most of whom are apparent supporters of Walesa. The three militants who ran against him for the chairmanship of the union failed to win seats on the presidium.

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The election of 11 members of the 12-person body came after some angry shouting matches and heated procedural disputes in the National Commission earlier in the day. Despite his victory, the union leader will still have to contend with pressure from militants and restive local union chapters.

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Walesa indicated in a conciliatory interview with the official Polish media that he wants to resume negotiations with the government as soon as possible. An ebullient Walesa left for Warsaw immediately after the elections, perhaps to begin laying the groundwork for talks.

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The new Solidarity leadership is under pressure to make some gains in talks with the government because of threatened local protests over recent price increases and continuing food shortages. The government has offered to compensate consumers for the price increases but can provide no quick fixes for food shortages.

Central Committee To Meet

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In the interview Walesa also sought to undercut criticism of the political planks of the union platform by asserting that his goal is to change Solidarity from what he admitted is a "social movement" into a genuine trade union. His cryptic reference to the need for some new legal organization to deal with other subjects raised at the congress--presumably non-trade union issues--will reinforce the suspicions of regime hardliners that Solidarity still has wider ambitions. The party has

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scheduled a Central Committee meeting on 14 and 15 October, almost certainly to set its strategy following the Solidarity congress. [redacted]

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Soviet Pressure

Initial Soviet commentary at the conclusion of the Solidarity congress suggests Moscow will keep pressure on the Polish regime to act firmly against union radicals and resist union efforts to play a "political" role. A TASS dispatch yesterday described the new Solidarity program as "counterrevolutionary" and quoted charges by a Polish journal that the union has broken its agreement with the government. [redacted]

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Moscow may be using the threat of reduced economic aid to put pressure on the Warsaw regime to act firmly. In turn, Polish authorities may use the Soviet threat to induce Solidarity to moderate its position. [redacted]

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[redacted] Soviet planning chief Baybakov said last month that Moscow would not allow the Poles to continue running a substantial trade deficit with the USSR after next April. It is unlikely, however, that Moscow has in fact made a final decision on future aid to Poland. [redacted]

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[redacted] the Soviets will continue their substantial aid to Warsaw next year, and Soviet Premier Tikhonov implied as much in recent remarks to the West Germans. Moreover, the Soviets have approached Western banks for \$1.5 to 2 billion in hard currency loans, some of which may be for Poland. [redacted]

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The negotiations for 1982 trade have only just begun, and the Polish and Soviet positions can be expected to change as talks continue. Moscow will likely seek to prolong the talks and use the resulting uncertainty to its political advantage. [redacted]

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WESTERN EUROPE: Attitudes Toward the EC

Public support for European unification and for continued membership in the EC is eroding, according to a Community-sponsored poll. [redacted]

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In the UK, support for unification fell to 52 percent from 63 percent last year. Moreover, 61 percent of those polled favor withdrawal from the Community. The number of West Germans who believe that EC membership is a good thing has dropped from 66 percent in 1979 to 49 percent.

[redacted] 25X1

Continued disagreements over reform of the Community's budget and the expensive agricultural policy probably are key factors contributing to the decline in support for the EC.

[redacted] 25X6

The survey also may adversely influence current proposals for increased EC foreign and security policy cooperation.

[redacted] 25X6

[redacted] Govern-
ments may be hesitant to increase the authority of the Community, however, if popular support for the institution is decreasing.

[redacted] 25X1

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BRAZIL: Political Atmospherics

A favorable prognosis for President Figueiredo's recovery from the heart attack he suffered last month and the performance of Vice President Chaves--who is well regarded in both military and civilian circles--have helped to calm apprehension about the prospects for the political liberalization process. Should Figueiredo be incapacitated for an extended period, however, divisions in the armed forces would become more pronounced. Nonetheless, a majority of the military probably would prefer to retain Chaves rather than face a prolonged national crisis. 

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FINLAND: Election Maneuvering

The government has decided to extend President Kekkonen's sick leave by one month until 10 November, thus putting off a probable presidential election until next year. A medical report sent to the Cabinet indicates a slight improvement in Kekkonen's condition, but most political leaders believe that there is no chance that he will resume his duties and that new presidential elections will have to be held. Prime Minister Koivisto, the Social Democratic Party leader who is officially filling in for Kekkonen, remains the front-runner to succeed the President. The extension, however, will allow other parties additional time to rally support for their candidates. [REDACTED]

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The Center Party, which has played a key role in political decisionmaking during the Kekkonen era, is focusing its campaign on Koivisto's inexperience in foreign affairs. The party leadership is touting its candidate, former Foreign Minister Karjalainen, who has been influential in promoting economic cooperation and trade with the Soviets. [REDACTED]

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UN: Campaigning for Secretary General.

Secretary General Waldheim plans to fight for the Security Council's endorsement of his candidacy for a third term as Secretary General. He believes that he has a chance to build on the plurality of support he has in the Council. He is supported by the UK, France, and the USSR, but he needs Chinese and US support. Beijing, however, evidently plans to support Tanzanian Foreign Minister Salim--at least in the early balloting--to cultivate good relations with Third World members.

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